

Foreign Worker Management in Singapore

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Introduction

In Singapore, foreign manpower of various skills levels has been allowed into the country to augment the numbers and skills levels of the domestic workforce since the 1970s. The magnitude of Singapore's current foreign workforce may be gleaned from recent (although preliminary) data released by the Ministry of Manpower indicating that foreigners, numbering more than 756,000, made up about 30% of the total employed at end-December 2006 (Ministry of Manpower, 31 January 2007). As the report stated, this was slightly higher than the 29% the year before, but lower than the 31% in December 2000. The figure for foreigners employed does not include those who have acquired permanent resident (PR) or citizenship status in the country as the latter are considered part of the domestic workforce. According to Deputy PM and Minister for Home Affairs, Wong Kan Seng, an average of nearly 40,000 become PRs and 8,000 new citizenship were granted annually over the period 2001-2005, "many" of whom were professionals and skilled workers who had held employment passes to work in Singapore ("Additional Foreign Residents (Projection)", Written Answers to Questions, Parliamentary Debates Singapore Official Report, Eleventh Parliament, Sitting Date 22 January 2007, http://www.parliament.gov.sg/reports/public/hansard/full/20070122/20070122_HR.html).

Going forward, the government has announced its intention to attract more foreigners to live and work in Singapore, both as a response to the country's changing demographics (the Total Fertility Rate has fallen to about 1.25 children per woman in 2004 and 2005) and in order to meet the needs of the economy for "critical mass" and for greater skills and diversity to be competitive in a globalised world (see, for example, "PM: Push for immigrants for S'pore good", Straits Times Interactive, 27 August 2006; "S'pore needs immigrants to avert population decline", Straits Times Interactive 3 March 2007). The country is also expecting an increase in low-skilled and unskilled workers, particularly in the construction sector, with its plan to physically transform Singapore to accommodate a larger projected population of 6.5 million and with major construction projects such as the integrated resorts in the pipeline.

Given its long reliance and aggressive labour-seeking policies, the foreign worker management system in Singapore has been highly developed and is constantly reviewed to meet the country's changing needs. Currently, the tools for the management of foreign workers in Singapore include a slew of legislative and administrative measures that influence the **quantity** and **quality** of foreigners that are brought into the country to work.

1. Outline of the Alien Worker Management System:

Broadly speaking, the foreign workforce in Singapore may be divided into two categories: professionals and semi-skilled workers who are Employment Pass holders, and low-skilled and unskilled workers who are given Work Permits. The latter form the bulk of Singapore's foreign workforce (e.g. there were 580,000 Work Permit holders as compared to 90,000 Employment

Pass holders in early 2006 [“Foreigners did not push wages down”, Straits Times Interactive, 2 March 2006]). The terms and conditions for their entry and stay in Singapore are very different as shall be shown below. There are also other Pass schemes which allow foreigners, including foreign students, to work in Singapore but the numbers involved are likely to be small (although there have been no data on these).

Work Permit Holders

Work Permit (also known as R Pass) holders are governed by the Employment of Foreign Workers Act (EWFA), hence they are also commonly referred to as “foreign workers” in Singapore. The Act stipulates the terms and conditions under which foreigners who command monthly salaries of not more than S\$1500 (generally the low-skilled and unskilled workers) can be brought in to Singapore to work. It should be noted that the salary level has been adjusted over the years (from about S\$750 when the Act was first introduced), and it currently stands at S\$1800.

The EWFA requires employers of such foreign workers to apply for a non-transferable Work Permit in regard to the worker and the type of work that is to be done. The validity of the Work Permit is specific to the particular worker which it was applied for, and only with regard to the industry or occupation specified. In return, foreign workers are only permitted to work for the employer listed in his or her Work Permit. All foreign workers are expected to undergo and pass a medical examination administered by a recognised Singapore medical practitioner before Work Permits are issued to them. In certain sectors, such as construction and domestic work, employers must also ensure that newly arrived foreign workers undergo and pass certain prescribed courses such as safety orientation and safety awareness.

Employers are further required under the EFWA to pay a foreign worker levy for each worker employed. The levy is a price mechanism to regulate the number of foreign workers who, because of their willingness to accept lower wages, could out-compete local workers in terms cost to employers. The foreign worker levy payable differs depending on the worker’s skills level and the industry sector in which he/she is deployed (it should also be noted the option to employ foreign workers is not open to all employers; it is restricted to certain sectors, typically those that are labour intensive and have difficulty recruiting local workers and at present include only those sectors shown in the table below). The levy is also adjusted from time to time depending on economic conditions and the demand for such workers. Although not part of the EWFA, the government has also imposed quotas or dependency ceilings on the number of foreign workers that could be employed relative to the number of locals in the firm’s employ. This is again to prevent the replacement of local with the cheaper foreign workers. Again, the quotas vary for each sector (see table).

Employers who fail to obtain a valid work permit that permits their employment of the foreign worker will be faced with various legal repercussions. For first time offenders, a failure to comply with this stipulation will result in either a fine amounting to a maximum of 48 months of the workers’ levy, a maximum of 12 months imprisonment or both. Subsequent offenders will face imprisonment of up to 12 months in addition to a fine equivalent to a maximum of 48 months of the levy. Corporate bodies found guilty of misconduct in this aspect will be liable to a fine amounting to a minimum of 48 months worth of the workers’ levy.

Sector	Dependency Ceiling (DC)	Category of Foreign Worker	Levy Rate (\$)	
			Monthly	Daily
Manufacturing	Up to 40% of the total workforce	Skilled	150	5
		Unskilled	240	8
	Above 40% to 50% of the total workforce	Skilled	150	5
		Unskilled	310	11
Above 50% to 60% of the total workforce	*Skilled/Unskilled	450	15	
Construction	1 local full-time worker to 4 foreign workers	Skilled	150	5
		****Experienced & exempted from MYE	300	10
		Unskilled	470	16
Marine	1 local full-time worker to 3 foreign workers	Skilled	150	5
		Unskilled	295	10
Process	1 local full-time worker to 4 foreign workers	Skilled	150	5
		****Experienced & exempted from MYE	300	10
		Unskilled	300	10
Services	Up to 30% of the total workforce	Skilled	150	5
		Unskilled	240	8
	Above 30% to 35% of the total workforce	*Skilled/Unskilled	310	11
Harbour Craft	1 local full-time worker to 9 foreign workers	Certificated Crew	150	5
		Non-Certificated Crew	240	8
	No of crews (shown on MPA Harbour Craft Licence) x2 The lower quota will apply			
Domestic Worker	NA	NA	295/**200	10/**7
S Pass Holder	***10% of the total workforce	Skilled	50	2

Source: Ministry of Manpower website "Foreign Worker Levy Rates"
http://www.mom.gov.sg/publish/momportal/en/communities/work_pass/work_permit/application/requirements/foreign_worker_levy.html

Besides the above, there are also sector-specific restrictions on the source countries from which foreign workers may be recruited. Approved source countries for workers in the construction, services, manufacturing and marine sectors have also been spelt out, as shown in the table below. It is also mandatory for employers to post a S\$5000 security deposit for each non-Malaysian foreign worker that they hire, a sum that will be refunded to them upon the cancellation of the work permit and repatriation of the foreign worker. The security deposit would be forfeited if a foreign worker goes missing and the employer cannot repatriate him/her within a month, or in the case of a foreign domestic worker, if she delivers a child in Singapore.

	Sector/Industry	Approved Source Countries
1.	Construction	<ul style="list-style-type: none"> ▪ Malaysia ▪ People's Republic of China (PRC) ▪ Non-Traditional Sources (NTS): India, Sri Lanka, Thailand, Bangladesh, Myanmar, Philippines and Pakistan. ▪ North Asia Sources (NAS): Hong Kong, Macau, South Korea and Taiwan.
2.	Services	<ul style="list-style-type: none"> ▪ Malaysia ▪ Hong Kong ▪ Macau ▪ South Korea ▪ Taiwan
3.	Manufacturing	<ul style="list-style-type: none"> ▪ Malaysia ▪ Hong Kong ▪ Macau ▪ South Korea ▪ Taiwan ▪ People's Republic of China
4.	Marine	<ul style="list-style-type: none"> ▪ Malaysia ▪ Non-Traditional Source (NTS): India, Sri Lanka, Thailand, Bangladesh, Myanmar, Philippines and Pakistan. ▪ North Asia Sources (NAS): Hong Kong, Macau, South Korea and Taiwan.

Source: Ministry of Manpower

http://www.mom.gov.sg/publish/momportal/en/communities/work_pass/work_permit/application/requirements.html

Under the conditions of the Work Permit, employers are responsible for the foreign workers' upkeep, maintenance and well-being. They are to provide safe working conditions and pay their foreign workers on time, and in general make sure that the contract does not contravene the Employment Act which covers the basic terms and working conditions of all employees except those employed in managerial, executive or confidential positions, seamen and domestic workers. Employers are also to send and pay for medical examinations and medical and hospitalisation expenses. Foreign workers are also entitled to compensation for injuries sustained in the course of their job as provided by the Workmen's Compensation Act. The EFWA also stipulates that employers are to provide acceptable accommodation for their foreign workers and to furnish their residential addresses to the authorities in order to facilitate contact during times of public health crises such as an outbreak of SARS. Employers are enjoined to look after their foreign workers welfare including their social and recreational needs but these are non-statutory requirements.

Employers are legally obligated under the Act, to keep an updated register of the particulars of foreign workers under their employ that may be furnished to the employment inspector upon

request. In the event that a foreign worker goes missing, the employer is required to report the case to the Ministry of Manpower within seven days. Such a practice aims to facilitate the efficient management of foreign manpower within Singapore. As mentioned earlier, the security deposit would be forfeited unless the missing foreign worker is found and repatriated.

In the event of a termination, employers are also required to return the Work Permit to the Employment Controller within seven days. Foreigners without a Work Permit are prohibited from entering or remaining at the work place and will be repatriated back to their home country upon the settlement of all outstanding wages or monies. The “occupier” of a work place is presumed to be knowledgeable about the presence of such persons and subject to penalty for contravention. In fact any foreigner found on any premises (including dormitories) is presumed to be employed by the occupier of the premises unless proven otherwise. This is to stem the problem of illegal workers. The Immigration Act provides that if an immigration offender is found at a work place, the occupier of the work place shall be presumed to have permitted the immigration offender to enter or remain at the place and to have knowledge that he is an immigration offender. The Act also provides for penalties including heavy fines, imprisonment or both. Anyone who knowingly give shelter to an immigration offender is also punishable with fine or imprisonment if convicted. Landlords and employers should check the authenticity of entry passes and work permits of their foreign tenants and employees.

The conditions of Work Permit also do not allow Work Permit holders to bring their family with them on Dependants or Long Term Social Visit passes (unlike the employment pass holders discussed below). However, the children of Work Permit holders are allowed the opportunity to study in Singapore national schools if they pass qualifying tests and the likes to ascertain their eligibility. The conditions of Work Permit also prohibit marriages between foreign workers and citizens or permanent residents of Singapore without the prior approval of the Controller of Work Permits. Failure to obtain approval would result in repatriation and a ban on re-entering Singapore. Female foreign workers are further disallowed from becoming pregnant with or delivering a child in the entire duration of her employment in Singapore. Contravention would result in her repatriation and possible forfeiture of the security deposit on the part of her employer. The conditions of Work Permit further stipulate that foreign workers are forbidden from any association with activities considered to be unlawful, immoral or objectionable and their Work Permits may be withdrawn.

Employment Pass Holders

Employment passes are issued to foreign skilled labour or “talent” encompassing professionals, specialists, middle management and the more highly qualified foreigners who wish to work in Singapore. In general, Employment Pass holders and their employers are not subject to the same restrictions and controls as those for Work Permits shown above. Moreover, Employment Pass holders are accorded privileges such as the ability to bring their family and loved ones to Singapore for extended periods and they are eligible to apply for Singapore permanent residence and eventually citizenship for themselves and their families.

There are three categories of Employment Passes, named P, Q and S Passes with slightly different terms and conditions as shown below. In addition, the EntrePass is issued to foreign entrepreneurs interested to set up businesses in Singapore. These are discussed further below.

Under the **P Pass** category, foreign professionals and individuals with specialist skills are further segregated into the P1 and P2 categories. Professionals, specialists and middle management level

foreigners earning a monthly salary of more than \$7000 are granted the P1 employment passes while P2 passes are applicable to those in the \$3500 to \$7000 income group with recognised qualifications. P Pass holders may apply for their families and loved ones to join them in Singapore through the application of a Dependant's Pass or a Long Term Social Visit Pass.

The **Q Pass** category of Employment Passes is applicable to individuals with recognised qualifications earning between \$2500 and \$3500 per month. However, while Q Pass holders may also apply for their loved ones to join them during their employment stint in Singapore, they are only allowed to do so via the Dependant's Pass but not the Long Term Social Visit Pass.

With regard to the **S Pass** category, foreigners classified as mid-level skilled workers are able to apply for employment in Singapore via the S Pass. Various criteria have to be met before the S Pass is successfully granted to a mid-skilled worker. Based on a points system, applicants are assessed according to a range of factors such as qualifications, skills, employment type, amount of work experience, and a salary that must be \$1800 and above. The number of S Pass holders is restricted to 10% of the company's employees. Companies in the manufacturing, service, construction and marine sectors however, are allowed some flexibility with the option of an extra 5% of S Pass holder to be deducted from their Work Permit (R Pass) quota.

Dependant's Passes may be applied for spouses or unwed children below the ages of 21 years. Dependants of P and Q Pass holders are allowed to work in Singapore as long as a Letter of Consent has been granted by the Ministry of Manpower. **Long Term Social Visit Passes** are applicable to common-law spouses, daughters above the age of 21 years, disabled children, step children, parents as well as parents – in – law. Long Term Social Visit Pass holders are only allowed to work if they successfully apply for a work permit, S Pass or Employment Pass. S Pass holders are allowed to apply for the Dependant's Pass for loved ones but dependants are not allowed to work unless they apply for a Work Permit, S Pass or an Employment Pass for themselves.

As with Work Permits, employers are required to apply for Employment Passes for the foreigners whom they wish to employ and the Passes issued are specific to the worker and employer. Should the Employment Pass holder wish to change job, his/her new employer will have to apply for a new Employment Pass for the worker. However, with effect from January 1st 2007, foreigners may apply for a personalised employment pass that is no longer employer-specific. In the event of a change in employers, the Employment Pass holder no longer has to re-apply for a new employment pass under the new employer. The Personalised Employment Pass affords the foreign labour, the flexibility of remaining in Singapore for a maximum period of six months between jobs. To qualify for this particular category of employment pass, individuals have to be either a P Pass holder for at least two years, a Q Pass holder for at least five years or a foreign graduate from a local institute of higher learning, who must have been on the P or Q pass for at least two years in Singapore. Upon the successful approval of the PEP, the foreigner will continue to enjoy the privileges as delineated by his previously held category of employment pass and will continue to be subjected to a minimum annual salary of \$30 000 for the next five years. The purpose of the personalised employment pass (PEP) is to facilitate Singapore's quest to attract and retain foreign talent who are able to contribute to further development of Singapore.

In addition to the Employment Passes, **EntrePasses** are issued to foreign entrepreneurs interested in setting up their businesses in Singapore. Entrepreneurs with the ability to start their company in Singapore and intend to be involved in the daily operation of the business are eligible to apply for the EntrePass. Alternatively, a foreigner who owns a company that has been listed with the Accounting and Corporate Regulatory Authority in Singapore for no more than 6 months upon

their application for an employment pass may also apply for an EntrePass. However, the businesses must not be questionable or illegal (e.g. massage parlours) but of an entrepreneurial nature. EntrePasses are divided into two categories, namely P and Q1. P EntrePass holders are accorded the privilege of applying for a Dependant's Pass or a Long-Term Social Visit Pass to Singapore for their loved ones while Q1 EntrePass holders are limited to the Dependant's Pass only.

The overall scheme of Work Passes, encompassing Work Permit, Employment and Entre Passes, together with their criterion, restrictions and entitlement are presented in the table below.

Type of Pass	Criterion and Restrictions	Salary Range	Dependent Pass	Long Term Social Visit Pass
<u>1. P Pass</u>				
a. P1 Pass	<ul style="list-style-type: none"> ▪ For foreign professionals, managers, executives and specialists. 	Basic salary >\$7000	Eligible	Eligible
b. P2 Pass	<ul style="list-style-type: none"> ▪ For foreign professionals, managers, executives and specialists. 	Basic salary >\$3500	Eligible	Eligible
<u>2. Q Pass</u>				
a. Q1 Pass	<ul style="list-style-type: none"> ▪ Possesses recognize qualifications or skills and years of experience. 	Basic salary >\$2500	Eligible	Not eligible
<u>3. S Pass</u>	<ul style="list-style-type: none"> ▪ Middle level skilled manpower • Assessed through: <ul style="list-style-type: none"> ➢ Points system based on salary, qualifications, skills, work experience and job type. • 10% quota on S Pass holders at company level. Levy of \$50 levied on each S Pass holder 	Basic salary ≥ \$1800	Basic salary ≥ \$2500 eligible	Not eligible
<u>4. R Pass (Work Permit)</u>				
a. R Pass (Foreign worker)	<ul style="list-style-type: none"> ▪ Semi-skilled and unskilled foreign workers who do not qualify for S Passes • Source country restrictions apply • Companies employing R pass holders subjected to prevailing sectoral controls e.g. Levy & dependence ratio. 	Basic salary ≤ \$1800	Children of WP Holders Who Wish to Study in Singapore National Schools must pass a qualifying test.	Not eligible
b. R Pass (Foreign Domestic worker)	<ul style="list-style-type: none"> • For Foreign Domestic Workers who wish to work in Singapore households. 		Not eligible	Not eligible
<u>5. Entre Pass</u>	Foreign entrepreneurs who is interested and ready to start a new, legal company/business and will be actively		Eligible	Depending on the type of Entre

	involved in its operations. <ul style="list-style-type: none"> • Owns a business registered with the Accounting and Corporate Regulatory Authority for no longer than 6 months prior to the application for the pass. • Jointly determined by Ministry of Manpower and SPRING Singapore. 			Pass issued.
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Source: Ministry of Manpower website www.manpower.gov.sg

Besides the above, **dependants** of certain categories of Employment Pass holders may seek employment in Singapore as outlined earlier. In addition, foreigners on student passes, training and visiting passes are also allowed to work in Singapore under certain circumstances. These are shown below.

- (a) **Short Term Employment Passes** allow the entry of foreigners who are working on certain projects or assignments for a period of time. The maximum validity of this pass is one month and it non-renewable upon its expiration. To qualify for the Short Term Employment Pass, foreigners have to meet the same eligibility criteria as that of a normal Employment Pass as detailed earlier.
- (b) **Temporary Work Permits** are intended for the employment of Malaysian confinement nannies for a maximum period of 12 weeks. Only Malaysia females between the ages of 23 and 58 years of age are eligible for this particular category of work permit. Holders of the temporary work permit must be employed at the employer's residence. All applications for temporary work permits are subjected to a \$10 administrative fee, in addition to levy charges upon the successful application for the work permit.
- (c) **Training Visit Passes** may be applied for foreigners undertaking training attachments in professional, managerial, executive or specialist employment in Singapore. University undergraduates fulfilling their training attachment as a part of their academic programme and intra-company trainees are eligible for this category of passes. In addition, a foreigner intending to apply for this category of passes must earn above \$2500 per month and/or possess recognised qualifications.
- (d) **Training Work Permits** are intended for semi-skilled or unskilled trainees undertaking training in Singapore. The validity of the Training Work Permit is a maximum of six months and is strictly non-renewable. The customary Foreign Worker Levy Rates are also applicable for this group of trainees entering Singapore. Non – Malaysian foreigners on Social Visit Passes and foreigners earning above \$2500 with recognised tertiary or professional qualifications are not eligible to apply.
- (e) **Student Pass** holders are permitted to find employment in Singapore without the need to apply for a work pass, but within certain stipulations. Foreign students from selected schools or academic institutions are permitted to take on full-time employment during their school vacation or part-time employment during the school term. Vacation employment is predicated upon a minimum age of 14 years and the status as a full-time student from selected academic institutions. Part-time employment of foreign students on the other hand, limits the student to a maximum of 16 hours of work per week

during the school term. Student pass holders waiting for results may also take up employment in Singapore, provided they are able to attain permission from the Controller of Work Permits (Work Pass Division) to do so.

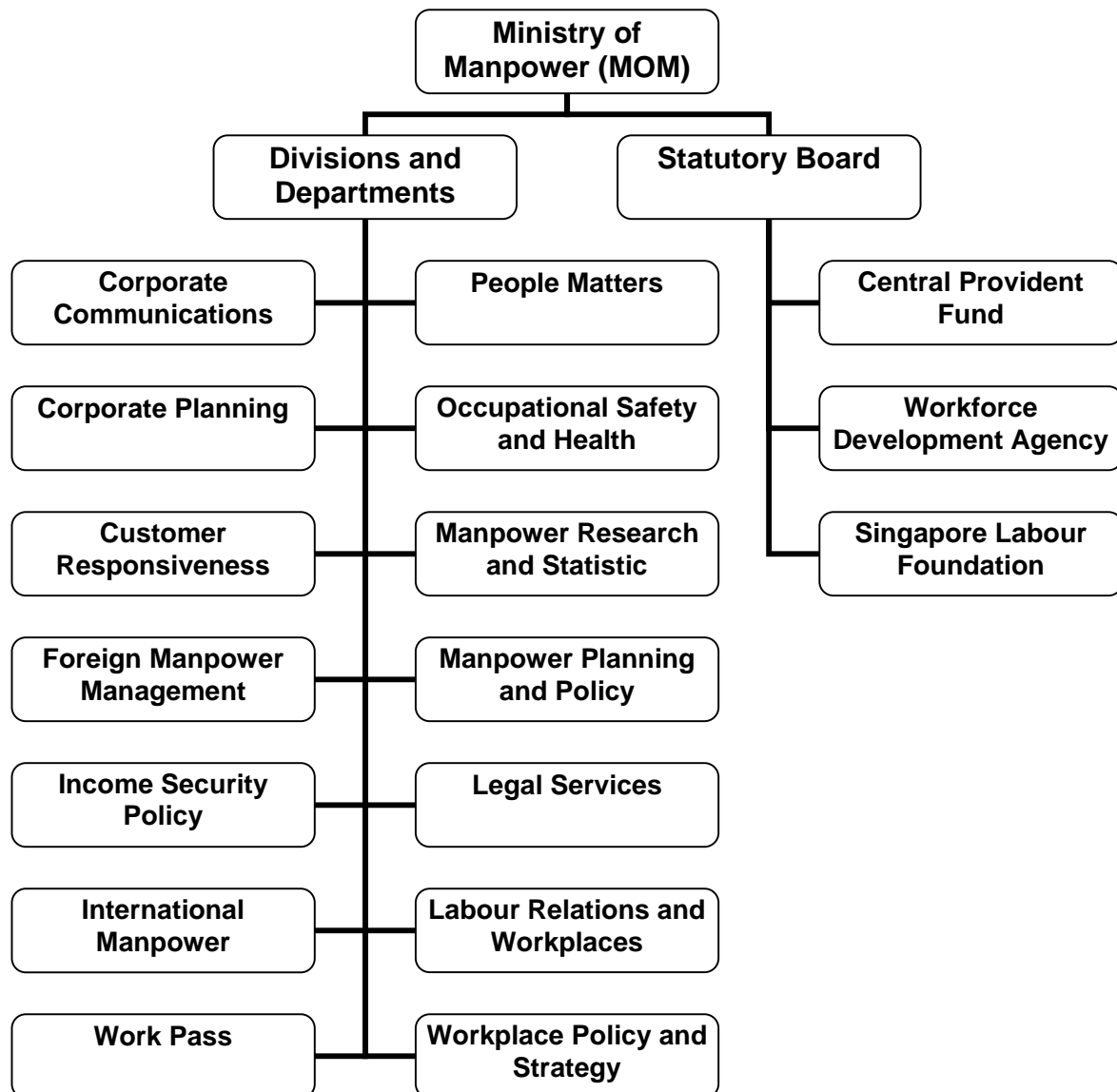
The management of foreign workers is not confined to Work Passes and controls on the terms and conditions of employment alone. Employment agencies which are an integral part of the process are subject to the **Employment Agencies Act** which recruitment agencies (other than those recruiting for the employers own use) to be licensed, pay a licence fee, and put up a security deposit with the government. Any individual who intends to operate an employment agency in Singapore is expected to apply to the Commissioner for Labour for a license that is valid for one year from the date of issue. Any violation of the Employment Agency Licensing conditions stipulated in relation to the administration of employment agencies will result in the immediate revocation of the license.

The **Employment Agency Licensing Conditions** details the various regulations pertaining to the license issued to Employment Agencies under the Employment Agencies Act. The licensee is expected to provide for the well-being of the foreign worker with respect to accommodation, food and medical treatments as required. The validity of the license only applies to the import of any non-citizens into Singapore for the purpose of employment as stipulated under the Work passes scheme. Furthermore, all non-citizens brought into Singapore for employment are expected to fulfil all entry requirements specified by the Ministry of Manpower. Employment agencies are also required to take responsibility of the repatriation of the non-citizen back to his or her home country, should the need arise.

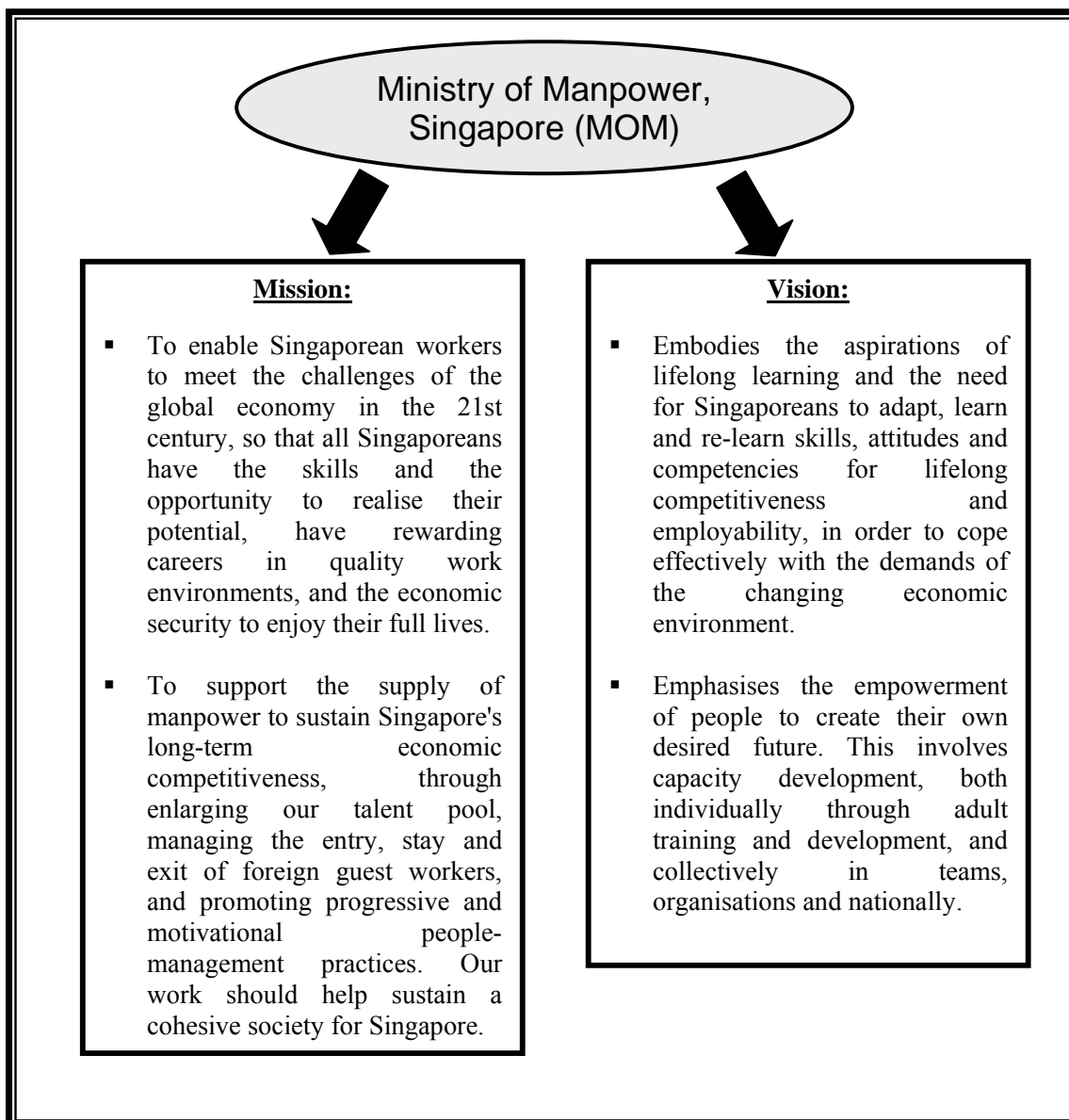
Furthermore, Singapore's **Penal Code** has been revised (in 1998) to raise the penalty for abuse of foreign domestic workers to 1.5 times of the penalty of similar abuses against local maids. If committed by the employer or any member of the employer's household, the perpetrator will be liable to a more severe punishment following the amendment made to the Penal Code in 1998.

2. Organisation in charge of managing alien workers

Currently, the Ministry of Manpower (MOM) serves as the umbrella organisation that oversees the planning, management and development of Singapore's manpower resources. The general management of foreign labour lies within the purview of MOM and its subsidiary statutory boards and divisions as reflected below.



The two primary aims of MOM are further elaborated upon in the following diagram.



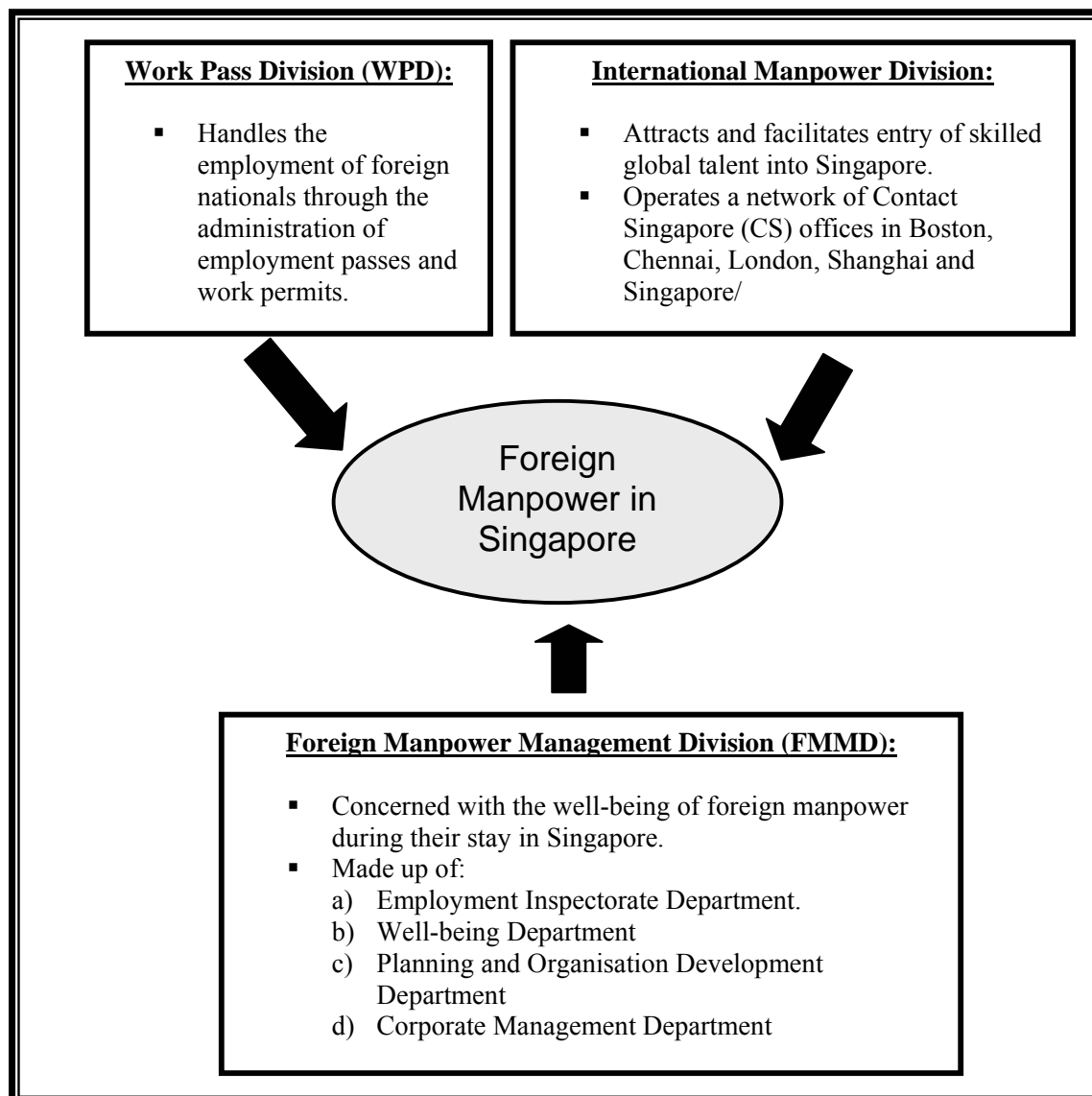
Source: *Ministry of Manpower: Mission and Vision.*

< http://www.mom.gov.sg/publish/momportal/en/about_us/mission_and_vision.html#mission >

In particular, out of the various subsidiaries and departments within MOM, the Work Pass Division (WPD), Foreign Manpower Management Division (FMMD) and the International Manpower Division (IMD) undertake the chief regulation and supervision of foreign labour in Singapore.

More specifically, the Work Pass Division (WPD) deals with the administration of employment passes and work permits as elaborated in the previous section to foreign nationals interested in employment in Singapore. In close cooperation with other departments in MOM, the Foreign Manpower Management Division (FMMD) on the other hand undertakes the primary responsibility for the well-being of foreign nationals employed in the Singapore workforce.

Finally, the International Manpower Division (IMD) facilitates the search for talent from the global community to meet Singapore's diverse needs. In conjunction with one another and in cooperation with other departments in MOM, a comprehensive management and regulatory structure administers the burgeoning numbers of foreign manpower in Singapore.



Source: Ministry of Manpower: Mission and Vision.

< http://www.mom.gov.sg/publish/momportal/en/about_us/divisions_and_statutory.html >

3. Practice and Issues in management (By examples)

Illegal workers and illegal employment

While there are strict penalties in place, foreigners have not been entirely deterred from entering Singapore illegally and seeking employment in Singapore. Others may enter legally but overstay beyond the permitted duration of their work permit/entry pass. The numbers of illegal

immigrants and overstayers arrested in recent years are presented in section 6b. Still others may enter the country on social visit passes which do not allow them to work but who nevertheless went on to seek and find employment without obtaining work permits. This is a contravention of the Employment of Foreign Workers Act.

The illegal deployment of foreign workers in jobs or sectors not stipulated in their work permits or with a different employer also serves as another problematic area that has proved a challenge to the Singapore authorities. Within the first nine months of 2006, the number of foreign workers arrested for illegal employment in the food and beverage sector (food servers, cooks, stall assistants and cleaners) was 13.6% higher than the number of foreign workers arrested in 2005. Previous operations conducted by the Ministry of Manpower have also uncovered foreign workers working illegally as conservancy cleaners and general workers. According to 2004 statistics released by the Ministry of Manpower, 2950 foreign workers were arrested for illegal employment and 409 employers were prosecuted under the EFWA.

Labour Agencies

Labour and recruitment agencies often take on the role of shepherding newly-arrived foreign workers through the entire process of meeting and greeting them at arrival and seeing them through the necessary medical and other required tests before handing them over to their employers. As mentioned, employment agencies are required to look after the welfare of the foreign workers while they are in Singapore and mediate between workers and employers in case of dispute. However, instances have been found where agencies have housed foreign workers in unacceptable, overcrowded accommodation while awaiting the relevant tests and handing over to employers. In one instance, for example, the domestic workers also complained about the poor quality of food provided.

Upkeep, Maintenance and Well-being of Foreign Workers

As mentioned earlier, the onus is on employers to provide for the foreign workers under their employ. However the provisions may vary in levels and quality.

Accommodations provided range from well-ventilated dormitories to tiny illegal sheds. As of January 2007, it is unclear exactly how many illegal dormitories housing work permit holders exist in Singapore. More modern dormitories boast of facilities such as security systems, cable television, grocery stores, canteens as well as fitness parks. At the other end, some illegal premises housing work permit holders may be made up of illegal sheds that cram as many as 25 to 50 foreign workers into a small area, with only one toilet and bathroom for all to share. In these illegal premises, space is extremely scarce and basic amenities such as taps are conspicuously absent. Areas such as fire safety of these foreign workers are often neglected as well.

In addition, the provision of sustenance for work permit holders also varies greatly in terms of standards and practices such as daily meal allowances or redeemable food vouchers. While some employers may choose to pay a monthly fee to dormitory providers for the provision of both accommodation and food to their workers, the amount paid may be as low as \$50 which is vastly insufficient to maintain the well-being of the foreign worker. Instances of unlicensed caterers providing food for the foreign workers have also been increasing. Meals prepared in filthy and unhygienic conditions by illegal kitchens are also considerably cheaper.

There have also been instances reported of employers who refuse to pay for medical treatments of any kind, following the first requisite medical examination that the work permit applicant is required to pass. This is despite injuries that have been incurred during instances of work at the worksite thus failing to properly ensure the maintenance of their worker's well-being.

More importantly, despite a statutory requirement for employers to pay their foreign workers within the seven days from the last day of the salary period, cases of employers defrauding on salaries have not been uncommon. Instances of late or non-payment of wages and employers failing to pay the agreed amount of salaries, have made their way to newspapers in Singapore, thus highlighting the plight of foreign workers. Wages of these workers also remain largely stagnant, as suggestions for pay adjustments and contract bonuses are not legally delineated but are areas that have been raised for the employer's consideration only. Employers are also not legally bound to provide training for their workers other than the safety orientation course that is mandatory for workers in the construction sector.

To meet the increasing demand for foreign labour in the Singapore workforce, the Singapore government has stepped up efforts to cater to the needs of foreign labour. A particularly pertinent area of concern for the Singapore authorities would be the regulation of low-wage foreign workers entering Singapore under the work permit scheme. Plans to provide better and more self-contained accommodation for work permit holders was recently unveiled in the 11th Singapore Parliamentary sessions in response to the rising number of work permit holders requiring adequate accommodation. Unlike employment pass holders who are eligible to own property in Singapore within certain stipulations, work permit holders are strictly prohibited from purchasing property locally. Furthermore, as of last November, the Housing Development Board (HDB) that regulates public housing in Singapore has prohibited the rental of HDB flats to non-Malaysia work permit holders. Consequently, the need to house the increasing numbers of work permit holders have prompted the Singapore government to release more potential sites in areas of industrial or warehouse development for the accommodation of work permit holders ("Government to release more sites for foreign workers dormitories", Channel NewsAsia 13 February 2007). While employers of foreign workers are bound by the Employment of Foreign Workers Act to provide suitable accommodation for the Work Permit holders they employ, the current practice is to leave such decisions to the employers themselves. This practice results in a great variation of standards in the accommodation provided, especially in the construction sector.

Behaviour/Activities of Foreign Workers

An issue that has also made its way into media reports is the crowding of certain public places on weekends (especially Sunday) when foreign workers gather to shop, meet up with friends and fellow countrymen and enjoy some recreation. While some appreciate the business opportunities that such foreign workers bring, others (including residents and business people) complain about rowdiness, drunkenness and unsanitary behaviour exhibited by these workers. Traffic congestion and accidents was another concern. In this regard, a special area has been designated in the Little India area, for example, to cater to the needs of foreign workers. Patrolling has also been stepped up.

Residents in areas such as public housing neighbourhoods that house foreign workers have also complained about their behaviour. In this regard, foreign workers will no longer be allowed to be housed in public flats, in addition to the ban on housing such workers in private apartments and landed residential properties already in place (see "Space Crunch", Straits Times Interactive 15 January 2007). More dormitory-style housing are on the cards as Singapore expects to increase the number of foreign workers in the country in view of the projected growth in the construction sector.

On the issue of crime amongst the foreign labour, the Singapore Police Force do not consider this to be excessive. According to the statistics released by the Singapore Police Force, foreigners constituted a total of 14% of all arrests made between the months of January to December 2006.

The number of foreigners arrested in 2006 also registered a decline of approximately 9% from the previous year.

As of 1st June 2005, biometric information of past immigrant offenders are kept in the Biometric Database for Immigration Clearance system in a bid to prevent the re-entry of ex-offenders into Singapore through fingerprint matching procedures. In addition, the Immigration and Checkpoints Authority (ICA) is similarly assiduous in policing harbourers and employers who attempt to bring in or hire foreign labour without a valid employment pass or work permit by imposing harsh punishments as deterrents. Despite ICA's efforts, there was no decrease in the number of individuals arrested for the harbouring of illegal immigrants from 2005 to 2006. The total number of employers arrested on 2006 for the employment of illegal foreign labour without a valid work permit or employment pass saw an 18 per cent increase from 170 employers in 2005 to 200 employers in 2006.

Year	Total Number of harbourers Arrested	Total Number of employers arrested
2005	170	170
2006	170	200

Source: *Immigration & Checkpoints Authority News Release, February 1st 2007.*

4. Any move for review of the system

While the government is anticipating higher demand for foreign manpower to augment the domestic workforce in its future development plans, it has not announced any plan to review the foreign manpower management system. This is probably because the current framework has been quite flexible and can be adjusted as the needed arises. For example, the P, Q and R pass system is a refinement of earlier system that had only two categories, Employment Pass and Work Permit, resulting in difficulty in bringing in foreigners who fall between the groups. The S Pass and Entre Pass are recent innovations in response to the need for mid-level workers and entrepreneurs. The foreign worker levy and dependency ceilings have also been adjusted to reflect changes in labour demand and the needs of employers. The levies have also been adjusted downward to ease employer costs during economic downturns. Legislations have also been amended to prevent the employment and harbouring of immigration offenders and to penalise abusers of foreign domestic workers.

Singapore's Manpower Minister, Dr Ng Eng Hen, announced in Parliament on 7 March 2007 that the quota in most sectors would remain. Exceptions are the Construction and Process (involving petroleum and pharmaceutical) sectors which are expected to grow significantly. From April 2007, skilled and unskilled foreign workers will be allowed to remain in Singapore for 18 and 6 years respectively, up from 15 and four years. The quota on S Pass holders will also be increased to 15% from 1 June 2007 although the total quota on the firm's foreign quota would remain. The Employment of Foreign Workers Act will also be amended to check abuse by employers. For example, employers must indicate the type of accommodation that will be provided and the Ministry would not approve work permit applications if it does not meet specified standards.

5. Other (Opinions of the labour and the management)

The management of employment pass and work permit holders differ vastly. More specifically, there are relatively few restrictions and greater flexibility for Employment Pass holders while the employment of Work Permit holders is much more onerous for employers and WP holders face

many more restrictions. This sometimes results in employers being overly restrictive with their foreign workers. Employment Pass holders are mainly left to their own devices (but in some respect, they are not different from the higher level local workers who are not covered by the Employment Act). There have also been complaints that new immigrants do not interact with locals of the same ethnic background (“When Indians and Indians just don’t mix” Straits Times Interactive 3 March 2007), and thus integration will become more important as Singapore looks forward to more immigrants and foreigners working in the country.

Critiques from the human rights perspective have suggested that the Singapore approach with regard to marriage, pregnancy and family members into the country constitute a contravention of their human rights. However, it is the personal opinion of this author that so long as the conditions are transparent and made clear to potential workers before their acceptance of employment, this should operate like any other work contract. This also calls for recruitment agencies to play a professional role in informing potential workers of their rights and obligations.

6a. Number of Alien workers (by period and qualification such as skill)

As mentioned in the introduction, as of end-December 2006, the number of foreign workers in the Singapore workforce numbered 756,300, or 30 per cent of the workforce. The Singapore government has greatly relaxed the restrictions on the employment of foreign labour in a bid to attract overseas talent to Singapore shores. In the years 2004 – 2005, the employment of foreigners saw an increase in growth rate from 3.6 to 8 per cent as opposed to an increase from 3.2 to 4.0 per cent for locals (Ministry of Manpower 2007b). Out of the large pool of foreign workers in the Singapore labour force, an approximate 90,000 individuals have been granted entry under the employment pass scheme. An estimated 28 per cent or 25,000 of these employment pass holders in Singapore are S-Pass holders.

On the other hand, work permit holders make up the bulk of foreign labour in Singapore, with a high number of work permit holders working as foreign domestic workers. Out of the 580,000 work permit holders, approximately 160,000 are foreign domestic workers while another 135,000 work permit holders are currently in the construction industry.

6b. Number of Alien worker troubles

With the rising numbers of foreign workers, the Singapore government has diligently monitored incoming foreign labour to prevent increases in the number of foreign worker troubles.

According to data from the Immigration and Checkpoints Authority (ICA), 2006 saw a decrease in the number of illegal immigrants arrested by 17 percent from 2005. The number of foreign workers who have overstayed the duration of their work permit or employment pass has also seen a decrease of 5 per cent in the number of overstayers arrested from the previous year.

Year	Total Number of Illegal Immigrants Arrested	Total Number of overstayers arrested
2005	4600	5500
2006	3800	5200

Source: Immigration & Checkpoints Authority News Release, February 1st 2007.

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 Press Release published on 31 January 2007
http://www.mom.gov.sg/publish/momportal/en/press_room/press_releases/2007/200701).

Type of Pass	Criterion and Restrictions	Salary Range	Dependent Pass	Long Term Social Visit Pass
<u>1. P Pass</u>				
a. P1 Pass	<ul style="list-style-type: none"> ▪ For foreign professionals, managers, executives and specialists. 	Basic salary >\$7000	Eligible	Eligible
b. P2 Pass	<ul style="list-style-type: none"> ▪ For foreign professionals, managers, executives and specialists. 	Basic salary >\$3500	Eligible	Eligible
<u>2. Q Pass</u>				
a. Q1 Pass	<ul style="list-style-type: none"> ▪ Possesses recognize qualifications or skills and years of experience. 	Basic salary >\$2500	Eligible	Not eligible
<u>3. S Pass</u>	<ul style="list-style-type: none"> ▪ Middle level skilled manpower • Assessed through: <ul style="list-style-type: none"> ➢ Points system based on salary, qualifications, skills, work experience and job type. • 10% quota on S Pass holders at company level. Levy of \$50 levied on each S Pass holder 	Basic salary ≥ \$1800	Basic salary ≥ \$2500 eligible	Not eligible
<u>4. R Pass (Work Permit)</u>				
a. R Pass (Foreign worker)	<ul style="list-style-type: none"> ▪ Semi-skilled and unskilled foreign workers who do not qualify for S Passes • Source country restrictions apply • Companies employing R pass holders subjected to prevailing sectoral controls e.g. Levy & dependence ratio. 	Basic salary ≤ \$1800	Children of WP Holders Who Wish to Study in Singapore National Schools must pass a qualifying test.	Not eligible
b. R Pass (Foreign Domestic worker)	<ul style="list-style-type: none"> • For Foreign Domestic Workers who wish to work in Singapore households. 		Not eligible	Not eligible
<u>5. Entre Pass</u>	Foreign entrepreneurs who is interested and ready to start a new, legal company/business and will be actively		Eligible	Depending on the type of Entre

	involved in its operations. <ul style="list-style-type: none"> • Owns a business registered with the Accounting and Corporate Regulatory Authority for no longer than 6 months prior to the application for the pass. • Jointly determined by Ministry of Manpower and SPRING Singapore. 			Pass issued.
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Source: Ministry of Manpower website www.manpower.gov.sg

	Sector/Industry	Approved Source Countries
1.	Construction	<ul style="list-style-type: none"> ▪ Malaysia ▪ People's Republic of China (PRC) ▪ Non-Traditional Sources (NTS): India, Sri Lanka, Thailand, Bangladesh, Myanmar, Philippines and Pakistan. ▪ North Asia Sources (NAS): Hong Kong, Macau, South Korea and Taiwan.
2.	Services	<ul style="list-style-type: none"> ▪ Malaysia ▪ Hong Kong ▪ Macau ▪ South Korea ▪ Taiwan
3.	Manufacturing	<ul style="list-style-type: none"> ▪ Malaysia ▪ Hong Kong ▪ Macau ▪ South Korea ▪ Taiwan ▪ People's Republic of China
4.	Marine	<ul style="list-style-type: none"> ▪ Malaysia ▪ Non-Traditional Source (NTS): India, Sri Lanka, Thailand, Bangladesh, Myanmar, Philippines and Pakistan. ▪ North Asia Sources (NAS): Hong Kong, Macau, South Korea and Taiwan.

Source: Ministry of Manpower

http://www.mom.gov.sg/publish/momportal/en/communities/work_pass/work_permit/application/requirements.html

Sector	Dependency Ceiling (DC)	Category of Foreign Worker	Levy Rate (\$)	
			Monthly	Daily
Manufacturing	Up to 40% of the total workforce	Skilled	150	5
		Unskilled	240	8
	Above 40% to 50% of the total workforce	Skilled	150	5
		Unskilled	310	11
Above 50% to 60% of the total workforce	*Skilled/Unskilled	450	15	
Construction	1 local full-time worker to 4 foreign workers	Skilled	150	5
		****Experienced & exempted from MYE	300	10
		Unskilled	470	16
Marine	1 local full-time worker to 3 foreign workers	Skilled	150	5
		Unskilled	295	10
Process	1 local full-time worker to 4 foreign workers	Skilled	150	5
		****Experienced & exempted from MYE	300	10
		Unskilled	300	10
Services	Up to 30% of the total workforce	Skilled	150	5
	Above 30% to 35% of the total workforce	Unskilled	240	8
		*Skilled/Unskilled	310	11
Above 35% to 45% of the total workforce	*Skilled/Unskilled	450	15	
Harbour Craft	1 local full-time worker to 9 foreign workers	Certificated Crew	150	5
	No of crews (shown on MPA Harbour Craft Licence) x2 The lower quota will apply	Non-Certificated Crew	240	8
Domestic Worker	NA	NA	295/**200	10/**7
S Pass Holder	***10% of the total workforce	Skilled	50	2

Source: Ministry of Manpower website "Foreign Worker Levy Rates"
http://www.mom.gov.sg/publish/momportal/en/communities/work_pass/work_permit/application/requirements/foreign_worker_levy.html

Type of Pass	Criterion and Restrictions	Salary Range	Dependent Pass	Long Term Social Visit Pass
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<u>2. Q Pass</u>				
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<u>3. S Pass</u>	<ul style="list-style-type: none"> ▪ Middle level skilled manpower • Assessed through: <ul style="list-style-type: none"> ➢ Points system based on salary, qualifications, skills, work experience and job type. • 10% quota on S Pass holders at company level. Levy of \$50 levied on each S Pass holder 	Basic salary ≥ \$1800	Basic salary ≥ \$2500 eligible	Not eligible
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Source: Ministry of Manpower website www.manpower.gov.sg

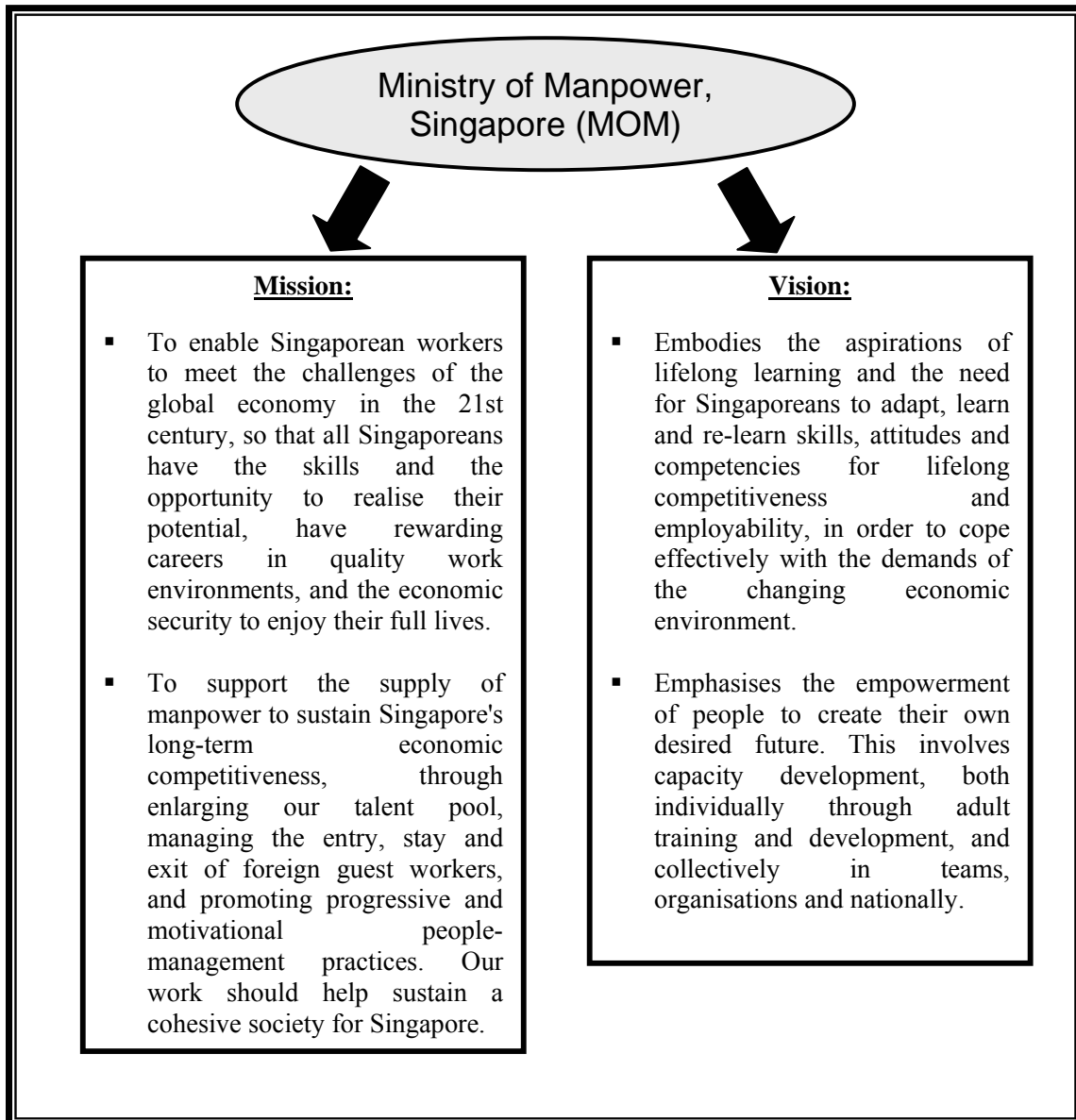
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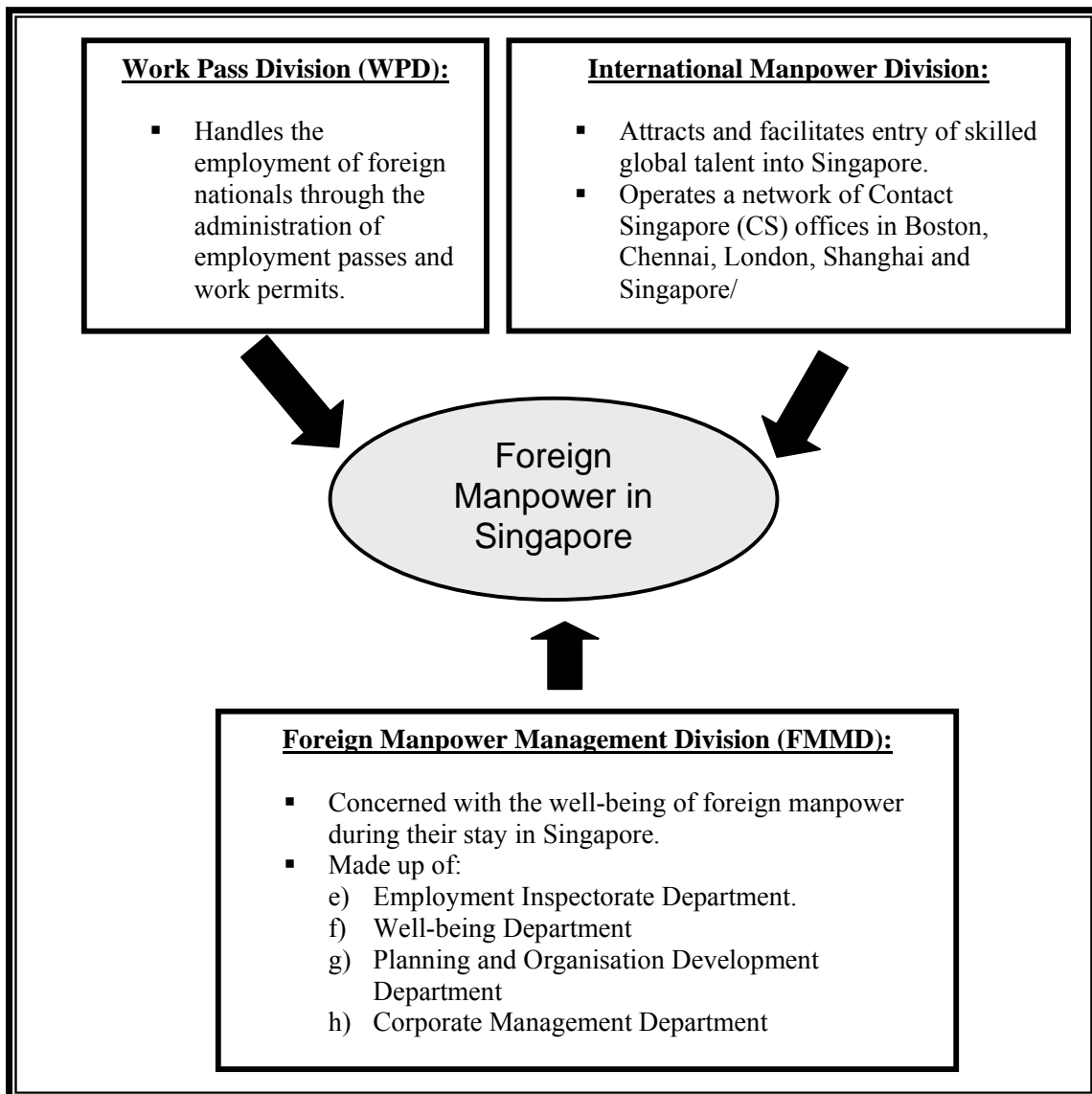
Source: Ministry of Manpower

http://www.mom.gov.sg/publish/momportal/en/communities/work_pass/work_permit/application/requirements.html

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Practice and Issues in management (By examples)

Illegal workers and illegal employment

While there are strict penalties in place, foreigners have not been entirely deterred from **entering Singapore illegally** and seeking employment in Singapore.

Others may enter legally but **overstay** beyond the permitted duration of their work permit/entry pass. The numbers of illegal immigrants and overstayers arrested in recent years are presented in section 6b.

Still others may **enter the country on social visit passes which do not allow them to work** but who nevertheless went on to seek and find employment without obtaining work permits. This is a contravention of the Employment of Foreign Workers Act.

The **illegal deployment of foreign workers in jobs or sectors not stipulated in their work permits or with a different employer** also serves as another problematic area that has proved a challenge to the Singapore authorities.

Labour Agencies

Employment agencies are required to look after the welfare of the foreign workers while they are in Singapore and mediate between workers and employers in case of dispute. However, instances have been found where agencies have **housed foreign workers in unacceptable, overcrowded accommodation while awaiting the relevant tests and handing over to employers**. In one instance, for example, the domestic workers also complained about the poor quality of food provided.

Upkeep, Maintenance and Well-being of Foreign Workers

The onus is on employers to provide for the foreign workers under their employ. However the provisions may vary in levels and quality.

The **provision of sustenance for work permit holders also varies greatly** in terms of standards and practices such as daily meal allowances or redeemable food vouchers

Instances of **late or non-payment of wages** and employers **failing to pay the agreed amount of salaries**, have made their way to newspapers in Singapore

Behaviour/Activities of Foreign Workers

An issue that has also made its way into media reports is the **crowding of certain public places on weekends** (especially Sunday) when foreign workers gather to shop, meet up with friends and fellow countrymen and enjoy some recreation. While some appreciate the business opportunities that such foreign workers bring, others (including residents and business people) **complain about rowdiness, drunkenness and unsanitary behaviour** exhibited by these workers. **Traffic congestion and accidents was another concern**. In this regard, a special area has been designated in the Little India area, for example, to cater to the needs of foreign workers. Patrolling has also been stepped up.

Residents in areas such as public housing neighbourhoods that house foreign workers have also complained about their behaviour. More dormitory-style housing are on the cards as Singapore expects to increase the number of foreign workers in the country in view of the projected growth in the construction sector.

On the issue of crime amongst the foreign labour, the **Singapore Police Force does not consider this to be excessive**. According to the statistics released by the Singapore Police Force, foreigners constituted a total of 14% of all arrests made between the months of January to December 2006.

Any move for review of the system

While the government is anticipating higher demand for foreign manpower to augment the domestic workforce in its future development plans, it has not announced any plan to review the

foreign manpower management system. This is probably because the **current framework has been quite flexible and can be adjusted as the needed arises.**